



**OFFICE OF AUDITOR OF STATE**  
STATE OF IOWA

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David A. Vaudt, CPA  
Auditor of State

**NEWS RELEASE**

FOR RELEASE December 5, 2008

Contact: Andy Nielsen  
515/281-5834

Auditor of State David A. Vaudt today released an audit report on Iowa Public Television for the year ended June 30, 2008. The Iowa Public Television Foundation, a component unit, is included in the financial statements.

Iowa Public Television had General Fund revenues of \$16,773,688 for the year, a 14.7% decrease from the prior year. Revenues included state appropriations of \$11,444,145, gifts and grants of \$2,776,450, federal assistance of \$884,380 and charges for service of \$1,008,415. The Iowa Public Television Foundation received \$5,879,500 from Foundation memberships and corporate support of \$1,854,456.

Expenditures to operate the educational television network for the year ended June 30, 2008 were as follows:

	General Fund	Special Revenue Funds	Total
Administration	\$ 1,187,556	596,850	1,784,406
Engineering and technical support	6,563,765	-	6,563,765
Educational telecommunications	1,661,097	-	1,661,097
Programming and production	9,684,938	2,751,806	12,436,744
Communications	316,464	-	316,464
Digital television	9,901,837	-	9,901,837
Total	<u>\$ 29,315,657</u>	<u>3,348,656</u>	<u>32,664,313</u>

General Fund expenditures increased 17.1% over the prior year.

A copy of the audit report is available for review in Iowa Public Television's administrative office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/reports.htm>.

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**IOWA PUBLIC TELEVISION**  
**INDEPENDENT AUDITOR'S REPORTS**  
**FINANCIAL STATEMENTS AND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2008**

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Iowa Public Television

**Officials**

Name

Title

**State**

Honorable Chester J. Culver  
Charles J. Krogmeier

Governor  
Director, Department of Management

**Board**

Robert W. Hall  
Susan McDermott  
Betty Jean Furgerson  
Michele Guinn  
John V. Hartung  
Mary Jean Montgomery  
Michael C. Morrison  
Grant L. Price  
Brent Siegrist

President  
Vice President  
Member  
Member  
Member  
Member  
Member  
Member  
Member

**Agency**

Daniel K. Miller  
Kristine Houston  
Lori J. Smith

Executive Director  
Director of Administration  
Business Manager

**Iowa Public Television**



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Independent Auditor's Report

To the Board Members of  
Iowa Public Television:

We have audited the accompanying financial statements of the governmental activities and each major fund of Iowa Public Television as of and for the year ended June 30, 2008, which collectively comprise the basic financial statements listed in the table of contents. These financial statements are the responsibility of Iowa Public Television's management. Our responsibility is to express opinions on these financial statements based on our audits. We did not audit the financial statements of the Iowa Public Television Foundation, a component unit which represents 80.7% and 99.4%, respectively, of the assets and revenues of the special revenue funds and 100% of the assets and revenues of the permanent fund. Those financial statements were audited by another auditor whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Iowa Public Television Foundation, is based solely on the report of the other auditor.

We conducted our audits in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Iowa Public Television Foundation were not audited in accordance with Government Auditing Standards. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits and the report of the other auditor provide a reasonable basis for our opinions.

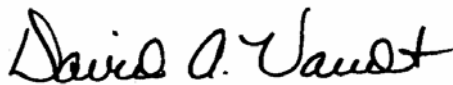
As discussed in Note 1, the financial statements of Iowa Public Television are intended to present the financial position and the changes in financial position of only that portion of the financial reporting entity of the State of Iowa that is attributable to the transactions of Iowa Public Television. They do not purport to, and do not, present fairly the financial position of the State of Iowa as of June 30, 2008, and the changes in its financial position for the year ended June 30, 2008 in conformity with U.S. generally accepted accounting principles.

In our opinion, based on our audits and the report of the other auditor, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Iowa Public Television at June 30, 2008, and the respective changes in its financial position for the year then ended in conformity with U.S. generally accepted accounting principles.

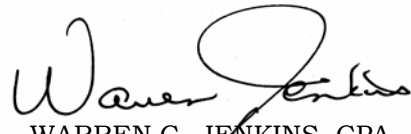
In accordance with Government Auditing Standards, we have also issued our report dated November 17, 2008 on our consideration of Iowa Public Television's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and budgetary comparison information on pages 7 through 13 and 40 through 42 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Iowa Public Television's basic financial statements. Other supplementary information included in Schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The statistical information has not been audited by us and, accordingly, we do not express an opinion on it.



DAVID A. VAUDT, CPA  
Auditor of State



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

November 17, 2008



# **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## **INTRODUCTION AND REPORTING ENTITY**

Management of Iowa Public Television (IPTV) provides this Management's Discussion and Analysis of IPTV's annual financial statements. This narrative overview and analysis of the financial activities of IPTV is for the fiscal year ended June 30, 2008. We encourage readers to consider this information in conjunction with IPTV's financial statements which follow the discussion.

Iowa Public Television is Iowa's statewide public broadcasting network. IPTV is an autonomous state agency under the umbrella of the Iowa Department of Education. The Iowa Public Broadcasting Board, the broadcast licensee, governs IPTV and sets general programming objectives and policy guidelines. The nine member Iowa Public Broadcasting Board is appointed per the Code of Iowa. Four members are appointed by the Governor and consist of one member from the business community other than television and telecommunications, one member with experience or knowledge about the television industry, one member from the membership of a fund-raising non-profit organization assisting IPTV and one member from the general public. In addition, one member is appointed by each of the state association of private colleges and universities, the superintendents of the community colleges, the administrators of the area education agencies, the state board of regents and the state board of education.

Iowa Public Television operates technical and production facilities that permit the creation and distribution of programming and educational products and services responsive to the varied interests of Iowans. IPTV is the state's largest provider of information and entertainment programming about Iowa. Over 1,000,000 viewers watch IPTV each week. Contributing membership to the IPTV Foundation consists of approximately 63,000 households.

Iowa Public Television operates nine analog transmitters, nine high-power digital transmitters and eight translators. The FCC mandated all commercial and noncommercial television broadcasters convert from analog to digital transmission. With support from the State of Iowa, the U.S. Department of Commerce and the Corporation for Public Broadcasting, IPTV has received or has commitments for the \$47,800,000 estimated cost to complete the digital television conversion. Master control operations and production studios are estimated to be completed by the spring of 2009. Six translators will also be replaced during the next two years.

## **FINANCIAL HIGHLIGHTS**

- In fiscal year 2008, total revenues decreased approximately \$4.4 million. The decrease was due to a decrease in the state capital appropriation.
- Program expenses for Iowa Public Television increased \$4,228,773, partly due to the recognition of the compensated absences liability for the Sick Leave Insurance Program (SLIP). Expenses were also increased due to an increase in digital television expenditures.
- There was an increase in capital assets, primarily due to the continued conversion to digital.

## **USING THIS ANNUAL REPORT**

This discussion and analysis is intended to serve as an introduction to Iowa Public Television's basic financial statements. Iowa Public Television's basic financial statements consist of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of IPTV as a whole and present a longer-term view of IPTV's finances. The activity of the IPTV Foundation is shown in the Special Revenue Fund and the Permanent Fund financial statements. These statements show how the Foundation raised and used funds for the purpose of providing membership and fundraising services for Iowa Public Television. These basic financial statements also include the Notes to Financial Statements that explain some of the information in the statements and provide more detail. Supplementary information is also in schedule form and provides additional detail.

## **REPORTING IOWA PUBLIC TELEVISION AS A WHOLE**

The Statement of Net Assets and the Statement of Activities (Exhibits A and B):

One of the most important questions asked about Iowa Public Television's finances is "Is IPTV as a whole better off or worse as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about IPTV as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The entity-wide financial statements include two statements.

The Statement of Net Assets presents all of IPTV's assets and liabilities, with the difference between the two reported as "net assets". Over time, increases or decreases in IPTV's net assets may serve as a useful indicator of whether the financial position of IPTV is improving or deteriorating.

The Statement of Activities presents information showing how Iowa Public Television's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the event or change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future periods.

## **ENTITY-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of financial position. Iowa Public Television's combined net assets decreased to approximately \$55.2 million at the end of fiscal year 2008 as compared to approximately \$59.5 million at the end of fiscal year 2007.

Net assets invested in capital assets represent the largest portion of net assets, and includes land, buildings, equipment, vehicles and television transmitters, less any related depreciation. IPTV uses these capital assets to provide services to its viewers and others. Consequently, these assets are not available for future spending.

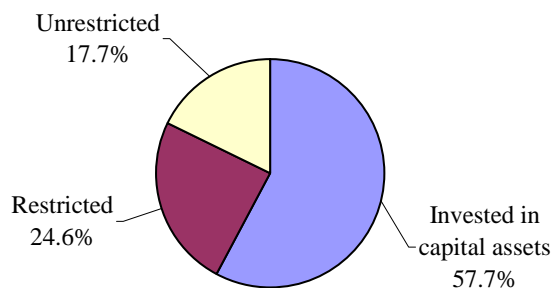
Restricted net assets represent the next largest portion of IPTV's net assets. Much of these restricted net assets will be invested in capital assets as the digital conversion continues over the subsequent years. This portion also includes endowment assets that are subject to external restrictions on how they may be used. The earnings on these assets will eventually be used for the acquisition of and/or production of television programs.

The remaining portion represents unrestricted net assets and is available to be used to meet IPTV's ongoing obligations to vendors.

### **Net Assets of Governmental Activities**

Assets	June 30, 2007	June 30, 2008
Current and other assets	\$ 38,008,123	30,342,690
Capital assets	26,426,144	31,852,790
<b>Total Assets</b>	<b>64,434,267</b>	<b>62,195,480</b>
<b>Liabilities</b>		
Current liabilities	4,658,535	5,586,100
Noncurrent liabilities	290,533	1,393,393
<b>Total Liabilities</b>	<b>4,949,068</b>	<b>6,979,493</b>
<b>Net Assets</b>		
Invested in capital assets	26,426,144	31,852,790
Restricted	21,457,763	13,603,851
Unrestricted	11,601,292	9,759,346
<b>Total Net Assets</b>	<b>\$ 59,485,199</b>	<b>55,215,987</b>

**FY 2008  
Composition of Net Assets**

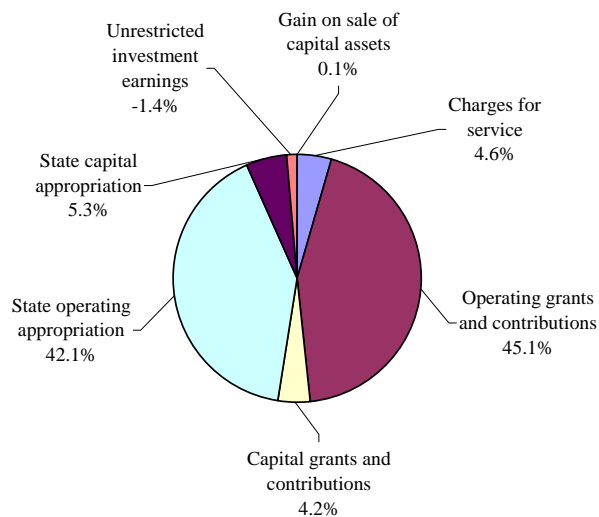


The net assets of Iowa Public Television decreased approximately \$4.3 million during fiscal year 2008. FY 2008 revenues were approximately \$4.4 million less than in FY 2007. Decreases were seen in the state capital appropriation. Operating grants and contributions of approximately \$10.9 million represented 45% of total revenues during the year. Many of these funds are allocated for specific purposes by the grantor or contributor, such as federal grants, public broadcasting grants, fundraising expenses, and certain local or regional productions. During fiscal year 2008, IPTV received a state operating appropriation of approximately \$10.2 million, of which approximately \$1.4 million was passed directly to regional telecommunications councils across the state. The state operating appropriation of approximately \$10.2 million represented 42% of total revenues. FY 2008 expenses were approximately \$4.2 million higher than in FY 2007. This is due in part to the Sick Leave Insurance Program (SLIP), which requires the recognition of the compensated absences liability. Programming and production expenses of approximately \$13 million represented nearly 46% of total expenses during the fiscal year. The majority of the expenses from the IPTV Foundation are included in programming and production expenses.

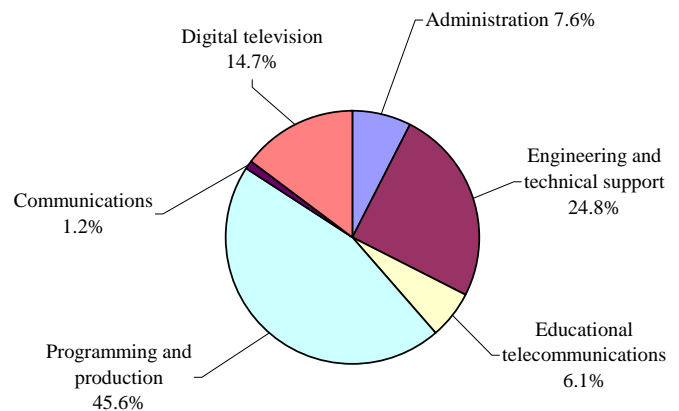
### **Changes in Net Assets of Governmental Activities**

	Year Ended June 30, 2007	Year Ended June 30, 2008
Revenues:		
Program revenues:		
Charges for service	\$ 675,327	1,103,406
Operating grants and contributions	10,660,384	10,924,082
Capital grants and contributions	1,145,047	1,018,182
General revenues:		
State operating appropriation	10,415,127	10,169,145
State capital appropriation	4,040,000	1,275,000
Unrestricted investment earnings (loss)	1,591,140	(340,403)
Gain on sale of capital assets	30,960	16,754
Total revenues	<u>28,557,985</u>	<u>24,166,166</u>
Program expenses:		
Administration	2,030,395	2,165,263
Engineering and technical support	6,419,687	7,063,060
Educational telecommunications	1,603,027	1,734,907
Programming and production	11,887,942	12,957,072
Communications	263,884	346,380
Digital television	2,001,670	4,168,696
Total expenses	<u>24,206,605</u>	<u>28,435,378</u>
Change in net assets	4,351,380	(4,269,212)
Net assets beginning of year	<u>55,133,819</u>	<u>59,485,199</u>
Net assets end of year	<u>\$ 59,485,199</u>	<u>55,215,987</u>

**FY 2008 Revenues by Source**



**FY 2008 Expenses by Program**



## Notes to Financial Statements:

The notes provide additional information essential to a full understanding of the data provided in the basic financial statements. The notes to financial statements can be found beginning on page 28.

Required Supplementary Information includes a comparison of Budget and Actual for the General Fund and can be found beginning on page 40.

Other Supplementary Information begins on page 44 and provides detailed information about the individual funds and accounts and expenditures by object.

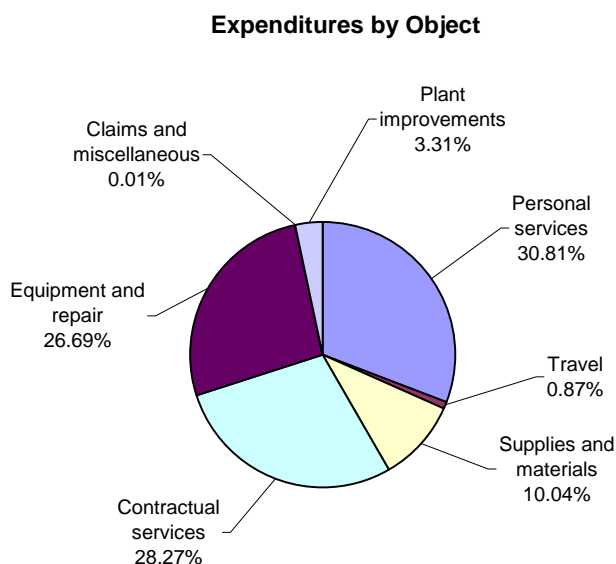
## **FINANCIAL ANALYSIS OF IPTV'S INDIVIDUAL FUNDS**

### General Fund (Exhibits C and E):

As of June 30, 2008, Iowa Public Television reported a combined General Fund balance of approximately \$14.4 million, which is approximately \$8.2 million less than the previous year's total of approximately \$22.6 million. IPTV's General Fund expenditures exceeded General Fund revenues by approximately \$12.5 million, and approximately \$4.4 million in net transfers were received from the Special Revenue Fund.

IPTV's total state appropriations of approximately \$11.4 million represented 68% of total General Fund revenues of approximately \$16.8 million. Gifts and grants of approximately \$2.8 million represented 17% of total General Fund revenues, while Federal assistance of \$884,380 represented 5% of total General Fund revenues.

Personal services of approximately \$9 million represented 31% of General Fund expenditures. Contractual services of approximately \$8.3 million represented 28% of total General Fund expenses of approximately \$29 million (see Schedule 3). Contractual services remain a significant expense item, but much of this expenditure relates to the pass-through of Federal support to other government entities, such as local school districts and other educational entities. Other significant expenses include the acquisition of national television programming and utilities needed to operate IPTV's television transmission facilities.



#### Special Revenue Fund (Exhibits C and E):

Iowa Public Television's Special Revenue Fund consists of the Friends Contribution Account and the Iowa Public Television Foundation. The Friends Contribution Account is primarily a holding account used by IPTV to hold net membership revenue transferred in from the IPTV Foundation until it is used in IPTV's General Fund to produce and/or acquire public television programming.

As of June 30, 2008, IPTV reported a combined Special Revenue Fund balance of approximately \$8.5 million. The Special Revenue Fund balance decreased \$592,928 from the fiscal year ended June 30, 2007. Special Revenue Fund revenues exceeded Special Revenue Fund expenditures by approximately \$3.98 million. This excess was transferred to IPTV's General Fund to produce and/or acquire public television programming. Total Special Revenue Fund revenue of approximately \$7.3 million was comprised mainly of almost \$5.9 million in membership revenue and approximately \$1.9 million in gifts and grants.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, Iowa Public Television amended its budget five times. In August 2007, an amendment was made to recognize the routine maintenance funding received from the Iowa Department of Administrative Services in the amount of \$36,800. Also in August, an amendment was made to recognize receipts of \$5,000 from a contract with a not-for-profit partner. In October 2007, an amendment for \$8,220 was made for a Corporation for Public Broadcasting grant. In June 2008, an amendment was made to the budget to recognize a grant of \$10,000. Also in June 2008, the capitals budget was amended by \$101,300 to recognize receipts for the digital television conversion.

IPTV's revenues were \$51,687 more than budgeted revenues, a variance of .4%. IPTV received more in charges for service than budgeted. Also, IPTV had in-kind and indirect support that was not budgeted.

Total expenditures were \$11,662,511 less than budgeted. Actual expenditures for the digital television function were \$10,836,368 less than budgeted. Total expenditures for digital television were budgeted at the amount of funds available to be spent. However, the funds are used over a period of time as towers and equipment are constructed or installed. Funds were carried forward to the next fiscal year for continued digital television conversion expenses.

IPTV exceeded the budgeted amount in the administration and the engineering and technical support functions for the year ended June 30, 2008, primarily due to in-kind and indirect support not budgeted. All other IPTV functional areas came in under budget.

### **CAPITAL ASSETS**

Iowa Public Television's investment in capital assets for its governmental activities at June 30, 2008 was approximately \$54.1 million, net of accumulated depreciation of approximately \$22.2 million, leaving a net book value of approximately \$31.9 million. This investment in capital assets includes land, buildings, improvements other than buildings, furniture, fixtures, equipment, vehicles and transmitters. Transmitter assets include property and equipment at the transmitter and translator sites across the state, such as towers, buildings, transmitters, antennas, transmission lines and test equipment.

The net increase in Iowa Public Television's investment in capital assets for the current fiscal year was about \$5.4 million, with the majority used for the digital conversion. Depreciation charges for the year totaled approximately \$2.4 million.

Iowa Public Television's fiscal year 2008 capital budget included approximately \$19.7 million for capital projects, principally for the completion of high power transmitters KTIN-DT Fort Dodge, KYIN-DT Mason City and KQIN Davenport. Funds will be carried forward to fiscal year 2009 to complete the six remaining translators, Johnston headquarters, a mobile unit and replacement transmitters. Funds to pay for the continued conversion to digital will come from appropriations received from the State and grants from the Corporation for Public Broadcasting.

More detailed information about Iowa Public Television's capital assets is presented in Note 4 to the financial statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

State General Fund revenue estimates are generated by the Iowa Revenue Estimating Conference (REC). The REC is comprised of the Governor or his designee, the Director of the Legislative Services Agency, and a third person agreed upon by the other two members. At the October 9, 2008 meeting, the REC decreased the estimate for General Fund tax and other receipts for fiscal year 2009.

The state appropriations for Iowa Public Television were increased for fiscal year 2009 from fiscal year 2008. Iowa Public Television's net asset balance is expected to increase slightly at the close of fiscal year 2009 due to continued digital television conversion efforts.

## **CONTACTING IPTV'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our viewers, educational users and citizens of the State of Iowa with a general overview of Iowa Public Television's finances and to show Iowa Public Television's accountability for the money it receives. If you have questions about the report or need additional financial information, contact Iowa Public Television, P.O. Box 6450, Johnston, IA 50131.

**Iowa Public Television**



## **Basic Financial Statements**

**Iowa Public Television**

Iowa Public Television

Statement of Net Assets

June 30, 2008

with partial financial information for June 30, 2007

	Governmental Activities	
	2008	2007
<b>Assets</b>		
Current assets:		
Cash	\$ 7,917,289	7,937,187
Investments	138,803	205,180
Unexpended appropriation	12,471,804	20,177,296
Accounts receivable	208,392	73,546
Pledges receivable, net of allowance for uncollectible accounts of \$206,100 for 2008	983,174	1,198,432
Due from:		
Other state agencies	93,190	199,357
Federal government	286,214	34,510
Restricted assets-cash	49,670	54,797
Prepaid expenses	534,163	357,562
Total current assets	<u>22,682,699</u>	<u>30,237,867</u>
Noncurrent assets:		
Investments	7,527,262	7,770,256
Pledges receivable	132,729	-
Capital assets, net	31,852,790	26,426,144
Total noncurrent assets	<u>39,512,781</u>	<u>34,196,400</u>
<b>Total assets</b>	<u>62,195,480</u>	<u>64,434,267</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	2,001,975	1,302,732
Due to other state agencies	132,383	128,432
Deferred revenue	2,644,000	2,514,480
Compensated absences	807,742	712,891
Total current liabilities	<u>5,586,100</u>	<u>4,658,535</u>
Noncurrent liabilities:		
Compensated absences	1,308,021	290,533
Net OPEB liability	85,372	-
Total noncurrent liabilities	<u>1,393,393</u>	<u>290,533</u>
<b>Total liabilities</b>	<u>6,979,493</u>	<u>4,949,068</u>
<b>Net Assets</b>		
Invested in capital assets	31,852,790	26,426,144
Restricted for:		
Future state vehicle dispatch purchases	49,670	54,797
Acquisition or production of programming	2,935,692	3,165,832
Installation of digital television	10,485,760	18,237,134
Noncurrent receivables	132,729	-
Unrestricted	9,759,346	11,601,292
<b>Total net assets</b>	<u>\$ 55,215,987</u>	<u>59,485,199</u>

See notes to financial statements.

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Iowa Public Television

Statement of Activities

Year ended June 30, 2008  
with partial financial information for the year ended June 30, 2007

		Program Revenues		
		Charges for Service	Operating Grants and Contributions	Capital Grants and Contributions
	Expenses			
<u>Functions</u>				
Governmental activities:				
Administration	\$ 2,165,263	29,000	81,754	-
Engineering and technical support	7,063,060	271,021	-	-
Educational telecommunications	1,734,907	194,791	427,249	-
Programming and production	12,957,072	603,594	10,383,491	-
Communications	346,380	5,000	-	-
Digital television	4,168,696	-	31,588	1,018,182
Total	<u>\$ 28,435,378</u>	<u>1,103,406</u>	<u>10,924,082</u>	<u>1,018,182</u>
General revenues:				
State appropriation				
Unrestricted investment earnings (loss)				
Gain on sale of capital assets				
Total general revenues				
Change in net assets				
Net assets beginning of year				
Net assets end of year				
See notes to financial statements.				

<u>Net (Expense)</u> <u>Revenue and</u> <u>Change in</u> <u>Net Assets</u> <u>2008</u>	<u>Net (Expense)</u> <u>Revenue and</u> <u>Change in</u> <u>Net Assets</u> <u>2007</u>
(2,054,509)	(1,892,223)
(6,792,039)	(6,098,947)
(1,112,867)	(1,047,504)
(1,969,987)	(1,571,666)
(341,380)	(258,884)
<u>(3,118,926)</u>	<u>(856,623)</u>
<u>(15,389,708)</u>	<u>(11,725,847)</u>
11,444,145	14,455,127
(340,403)	1,591,140
<u>16,754</u>	<u>30,960</u>
<u>11,120,496</u>	<u>16,077,227</u>
(4,269,212)	4,351,380
<u>59,485,199</u>	<u>55,133,819</u>
<u><u>\$ 55,215,987</u></u>	<u><u>59,485,199</u></u>

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Iowa Public Television

Balance Sheet  
Governmental Funds

June 30, 2008  
with partial financial information for June 30, 2007

<b>Assets</b>		
		<u>General</u>
Assets:		
Cash		\$ 5,201,375
Investments		-
Unexpended appropriation		12,471,804
Accounts receivable		208,392
Pledges receivable, net of allowance for uncollectible accounts of \$206,100 for 2008		-
Due from:		
Other funds		799,890
Other state agencies		77,493
Federal government		286,214
Restricted assets-cash		49,670
Prepaid expenditures		520,537
<b>Total assets</b>		<u><u>\$19,615,375</u></u>
<b>Liabilities and Fund Balances</b>		
Liabilities:		
Accounts payable		\$ 1,561,454
Due to:		
Other funds		876,270
Other state agencies		131,634
Deferred revenue		2,646,711
<b>Total liabilities</b>		<u><u>5,216,069</u></u>
Fund balances:		
Reserved for:		
Prepaid expenditures		520,537
Subsequent years' expenditures		49,670
Noncurrent receivables		-
Specific purposes		10,485,760
Unreserved		3,343,339
<b>Total fund balances</b>		<u><u>14,399,306</u></u>
<b>Total liabilities and fund balances</b>		<u><u>\$19,615,375</u></u>

See notes to financial statements.

Special Revenue		Permanent Foundation Endowment	Total 2008	Total 2007
Iowa Public Television Foundation	Friends Contribution Account			
474,973	2,240,941	-	7,917,289	7,937,187
6,118,080	-	1,547,985	7,666,065	7,975,436
-	-	-	12,471,804	20,177,296
-	-	-	208,392	73,546
1,115,903	-	-	1,115,903	1,198,432
-	1,667,723	-	2,467,613	2,119,450
-	15,697	-	93,190	199,357
-	-	-	286,214	34,510
-	-	-	49,670	54,797
13,626	-	-	534,163	357,562
7,722,582	3,924,361	1,547,985	32,810,303	40,127,573
437,480	3,041	-	2,001,975	1,302,732
277,823	1,313,520	-	2,467,613	2,119,450
-	749	-	132,383	128,432
1,096,800	-	-	3,743,511	3,361,806
1,812,103	1,317,310	-	8,345,482	6,912,420
13,626	-	-	534,163	357,562
-	-	-	49,670	54,797
132,729	-	-	132,729	-
1,387,707	-	1,547,985	13,421,452	21,402,966
4,376,417	2,607,051	-	10,326,807	11,399,828
5,910,479	2,607,051	1,547,985	24,464,821	33,215,153
7,722,582	3,924,361	1,547,985	32,810,303	40,127,573

**Exhibit D**

## Iowa Public Television

Reconciliation of the Balance Sheet -  
Governmental Funds to the Statement of Net AssetsJune 30, 2008  
with partial financial information for June 30, 2007

	2008		2007	
<b>Total governmental fund balances (page 21)</b>	\$ 24,464,821		33,215,153	
<b><i>Amounts reported for governmental activities in the Statement of Net Assets are different because:</i></b>				
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds, as follows:				
Iowa Public Television	\$ 31,836,012		26,405,119	
Iowa Public Television Foundation	<u>16,778</u>	31,852,790	<u>21,025</u>	26,426,144
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the funds.				
Iowa Public Television Foundation deferred revenue	1,096,800		837,230	
Iowa Public Television deferred revenue	<u>2,711</u>	1,099,511	<u>10,096</u>	847,326
Long term liabilities, including compensated absences and net OPEB liability, are not due and payable in the current period, and, therefore, are not reported in the funds.				
Current compensated absences	(807,742)		(712,891)	
Non-current compensated absences	(1,308,021)		(290,533)	
Net OPEB liability	<u>(85,372)</u>	<u>(2,201,135)</u>	<u>-</u>	<u>(1,003,424)</u>
<b>Net assets of governmental activities (page 19)</b>	\$ 55,215,987		59,485,199	

See notes to financial statements.



**Iowa Public Television**

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Iowa Public Television

Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds

Year ended June 30, 2008  
with partial financial information for the year ended June 30, 2007

	<u>General</u>
Revenues:	
State appropriation	\$ 11,444,145
Federal assistance	884,380
Receipts from other entities	169,160
Fees and licenses	124,536
Gifts and grants	2,776,450
In-kind and indirect support	113,342
Memberships	-
Charges for service	1,008,415
Interest on investments	253,260
Total revenues	<u>16,773,688</u>
Expenditures:	
Administration	1,187,556
Engineering and technical support	6,563,765
Educational telecommunications	1,661,097
Programming and production	9,684,938
Communications	316,464
Digital television	9,901,837
Total expenditures	<u>29,315,657</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,541,969)</u>
Other financing sources (uses):	
Operating transfers in	5,140,824
Operating transfers out	(756,259)
Total other financing sources (uses)	<u>4,384,565</u>
Net change in fund balances	(8,157,404)
Fund balances beginning of year	<u>22,556,710</u>
Fund balances end of year	<u>\$ 14,399,306</u>

See notes to financial statements.

Special Revenue				
Iowa Public Television Foundation	Friends Contribution Account	Permanent Foundation Endowment	Total 2008	Total 2007
-	-	-	11,444,145	14,455,127
-	-	-	884,380	889,614
-	-	-	169,160	366,309
-	-	-	124,536	196,541
1,854,456	-	-	4,630,906	4,236,333
-	-	-	113,342	326,506
5,879,500	-	-	5,879,500	6,919,909
-	-	-	1,008,415	558,380
(466,327)	62,764	(190,100)	(340,403)	1,591,140
7,267,629	62,764	(190,100)	23,913,981	29,539,859
596,850	-	-	1,784,406	1,762,137
-	-	-	6,563,765	6,338,665
-	-	-	1,661,097	1,595,845
2,689,527	62,279	-	12,436,744	11,842,389
-	-	-	316,464	263,682
-	-	-	9,901,837	6,451,522
3,286,377	62,279	-	32,664,313	28,254,240
3,981,252	485	(190,100)	(8,750,332)	1,285,619
-	4,087,193	190,100	9,418,117	12,035,824
(4,970,386)	(3,691,472)	-	(9,418,117)	(12,035,824)
(4,970,386)	395,721	190,100	-	-
(989,134)	396,206	-	(8,750,332)	1,285,619
6,899,613	2,210,845	1,547,985	33,215,153	31,929,534
5,910,479	2,607,051	1,547,985	24,464,821	33,215,153

## Iowa Public Television

Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances - Governmental Funds to the Statement of ActivitiesYear ended June 30, 2008  
with partial financial information for the year ended June 30, 2007

	2008	2007
<b>Net change in fund balances - Total governmental funds (page 25)</b>	\$ (8,750,332)	1,285,619
<b><i>Amounts reported for governmental activities in the Statement of Activities are different because:</i></b>		
Contributions which will not be collected for several months after year end are not considered available revenues and, therefore, are deferred in the governmental funds.	1,099,511	847,326
Governmental funds report revenue in the current period for amounts deferred in prior years because they were not considered available at that time.	(847,326)	(1,845,141)
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. In the current period, these amounts are:		
Iowa Public Television:		
Expenditures for capital assets	\$ 7,794,468	6,298,371
Depreciation expense	(2,346,930)	(2,167,387)
Iowa Public Television Foundation:		
Depreciation expense	(4,247)	(10,870)
	5,443,291	4,120,114
In the governmental funds, the proceeds from the sale of capital assets increase financial resources, whereas the Statement of Activities only reports the gain on the sale.	(16,645)	(42,570)
Only expenses which require current financial resources are reported in governmental funds, whereas the Statement of Activities reports expenses for compensated absences and termination benefits not requiring the use of current financial resources.	(1,197,711)	(13,968)
<b>Change in net assets of governmental activities (page 19)</b>	<u>\$ (4,269,212)</u>	<u>4,351,380</u>

See notes to financial statements.

Iowa Public Television  
Statement of Fiduciary Assets and Liabilities  
Agency Fund  
June 30, 2008  
with partial financial information for June 30, 2007

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Accounts receivable	<u>\$ 267</u>	<u>215</u>
<b>Liabilities</b>		
Due to other state agencies	<u>\$ 267</u>	<u>215</u>

See notes to financial statements.

Iowa Public Television

Notes to Financial Statements

June 30, 2008

**(1) Summary of Significant Accounting Policies**

Iowa Public Television, an agency of the State of Iowa, operates as an autonomous division of the Iowa Department of Education. It is mandated by statute to plan, establish and operate an educational television facility and such other communications services as may prove necessary to aid in the accomplishment of the educational objectives of the State of Iowa.

Iowa Public Television operates nine analog and nine digital transmitters and eight translators as follows:

Analog Transmitters

KDIN-TV, Channel 11, Des Moines  
KIIN-TV Channel 12, Iowa City  
KTIN-TV Channel 21, Fort Dodge  
KYIN-TV Channel 24, Mason City  
KSIN-TV Channel 27, Sioux City  
KBIN-TV Channel 32, Council Bluffs  
KRIN-TV Channel 32, Waterloo  
KHIN-TV Channel 36, Red Oak  
KQIN-TV Channel 36, Davenport

Translators

K14AF-TV Channel 14, Decorah  
K25AA-TV Channel 25, Rock Rapids  
K18GU-TV Channel 18, Ottumwa  
K38AB-TV Channel 38, Sibley  
K28JD-TV Channel 28, Fort Madison  
K41AD-TV Channel 41, Lansing  
K44AB-TV Channel 44, Keokuk  
K54AF-TV Channel 54, Keosauqua

Digital Transmitters

KDIN-DT Channel 50, Des Moines  
KIIN-DT Channel 45, Iowa City  
KTIN-DT, Channel 25, Fort Dodge  
KYIN-DT Channel 18, Mason City  
KSIN-DT Channel 28, Sioux City  
KBIN-DT Channel 33, Council Bluffs  
KRIN-DT Channel 35, Waterloo  
KHIN-DT Channel 35, Red Oak  
KQIN-DT Channel 34, Davenport

The financial statements of Iowa Public Television and its component unit have been prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

**A. Reporting Entity**

For financial reporting purposes, Iowa Public Television has included all funds and organizations. It has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with Iowa Public Television are such that exclusion would cause Iowa Public Television's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of Iowa Public Television to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on Iowa Public Television.

These financial statements present Iowa Public Television (the primary government) and its component unit. The component unit discussed below is included in Iowa Public Television's reporting entity because of the significance of its operational or financial relationships with Iowa Public Television. Complete financial statements of the component unit, Iowa Public Television Foundation, which issued separate financial statements, can be obtained from Iowa Public Television, P.O. Box 6450, Johnston, Iowa 50131.

Blended Component Unit – The following component unit is an entity which is legally separate from Iowa Public Television, but is so intertwined with it that it is, in substance, the same as Iowa Public Television. It is reported as part of Iowa Public Television and is blended into the Special Revenue and Permanent Funds.

Iowa Public Television Foundation is a non-profit corporation which was incorporated in December 1991 for the purpose of soliciting and managing gifts of money and property for the exclusive purpose of granting gifts of money and/or property to Iowa Public Television. Services provided by Iowa Public Television Foundation include the promotion of the public television network, acquisition of new members and the annual renewal of existing members. The funds received by the Foundation, less expenses, are to be transferred monthly to Iowa Public Television for programs and program expenses. Although the Foundation is legally separate from Iowa Public Television, the Iowa Public Television Broadcasting Board has oversight responsibility.

#### B. Basis of Presentation

The basic financial statements include partial prior-year summarized comparative information in total, but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Iowa Public Television's financial statements for the year ended June 30, 2007, from which the summarized information was derived.

Entity-wide Financial Statements – The Statement of Net Assets and the Statement of Activities report information on all the nonfiduciary activities of Iowa Public Television and its component unit. The effect of interfund activity has been removed from these statements. Governmental activities are supported by taxes, intergovernmental revenues and other nonexchange transactions.

The Statement of Net Assets presents Iowa Public Television's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories.

*Invested in capital assets* consists of capital assets, net of accumulated depreciation.

*Restricted net assets* result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net assets* consist of net assets not meeting the definition of the two preceding categories. Unrestricted net assets often have constraints on resources imposed by management which can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions

and interest restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements – Separate financial statements are provided for governmental funds and the fiduciary fund, even though the latter is excluded from the entity-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Iowa Public Television reports the following major governmental funds:

The General Fund is the general operating fund of Iowa Public Television and is used to account for all financial resources except for those accounted for in another fund. From the fund are paid the general operating expenditures, the fixed charges and the capital improvement costs not paid from other funds.

Special Revenue:

The Iowa Public Television Foundation Fund is used to account for all money and property donations received to support public television in Iowa. Periodic transfers are made to the Friends Contribution Account Fund to finance program expenditures.

The Friends Contribution Account Fund is used to hold funds transferred from the Iowa Public Television Foundation. These funds are then transferred to the General Fund for program expenditures.

The Permanent Fund is used to hold a restricted gift made to Iowa Public Television during the fiscal year ended June 30, 2002. While the corpus of the gift is not available to spend, the earnings of the gift are restricted for the acquisition and/or production of quality family programming. Earnings are transferred to the Special Revenue, Friends Contribution Account Fund.

Iowa Public Television also reports the following fiduciary fund:

The Agency fund is used to account for assets held by Iowa Public Television as an agent for individuals, private organizations, certain jointly governed organizations, other governmental units and/or other funds.

#### C. Measurement Focus and Basis of Accounting

The entity-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Iowa Public Television considers revenues to be available if they are collected within 60 days after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, claims and judgments and compensated absences are recorded as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds.



Contributions, pledges, intergovernmental revenues and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received.

In reporting the financial activity in the entity-wide financial statements, Iowa Public Television applies all applicable GASB pronouncements, as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure.

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash and Pooled Investments – Iowa Public Television makes deposits with the Treasurer of State and with other specific custodial banks. The cash balances of most state agency funds are pooled and invested by the Treasurer of State.

Iowa Public Television Foundation Investments – Investments are reported at fair value based on quoted market prices.

Restricted Assets – Cash – Iowa Public Television makes monthly contributions to the State Vehicle Dispatcher. Such contributions are restricted for the purpose of purchasing replacement vehicles.

Pledges Receivable – Pledges receivable are recognized when pledged and are shown net of an allowance for uncollectibles.

Capital Assets – Capital assets, which include land, buildings, equipment and infrastructure assets (e.g., towers, transmitters and similar items that are immovable and of value only to Iowa Public Television), are reported in the governmental activities column in the entity-wide Statement of Net Assets. Capital assets are defined by Iowa Public Television as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repair that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>	
	<u>Iowa Public Television</u>	<u>Iowa Public Television Foundation</u>
Buildings	31.5	-
Transmitters	10-15	-
Leasehold improvements	5-15	15
Machinery, equipment and vehicles	2.5-13.5	5-7

Deferred Revenue – Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to

be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue in the governmental fund financial statements represents the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of unspent grant proceeds, as well as pledges and other receivables not collected within sixty days after year end.

Deferred revenue on the Statement of Net Assets consists of gifts and grants restricted by outside parties for specified purposes which are deemed to be earned and reported as revenues when Iowa Public Television has incurred expenditures in compliance with the specific restrictions.

Compensated Absences – Iowa Public Television employees accrue vacation, sick leave and compensatory leave at rates specified in the Code of Iowa and/or collective bargaining agreements. Accumulated unused vacation leave is payable upon termination of employment. Accumulated unused sick leave is payable only upon retirement and only to limits specified in the Code of Iowa and/or collective bargaining agreements. The liabilities for compensated absences are based on rates of pay in effect at June 30, 2008 and 2007.

State Appropriations and Reversions – The Legislature makes annual appropriations of state funds to the various agencies. No payment of an obligation for goods and services can be charged to an appropriation subsequent to the last day of the fiscal year for which the appropriation is made unless such goods or services are received on or before June 30. If the agency has unobligated balances of operational appropriations at the end of the fiscal year, up to fifty percent may be encumbered by the agency and used during the succeeding fiscal year for employee training, technology enhancement and purchase of goods and services from Iowa Prison Industries. The remaining balance shall be deposited in the cash reserve fund created in Section 8.56 of the Code of Iowa.

Fund Balance – In the fund financial statements, governmental funds report reservations of fund balance for amounts legally restricted by outside parties for use for a specific purpose, including the corpus of the gift recorded in the Permanent Fund that is not available for future spending.

## **(2) Deposits and Investments**

Iowa Public Television's deposits with the Treasurer of State throughout the period and at June 30, 2008 and 2007 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds. All interest income on money invested in the investment pool is retained in the fund holding the cash balance.

At June 30, 2008 and 2007, the carrying amount of cash not held by the Treasurer of State was \$477,379 and \$701,203, respectively, and the bank balances were \$520,724 and \$1,049,416, respectively. Deposits of \$230,524 and \$178,355, respectively, are covered by federal depository insurance or by collateral held by the component unit's agent in the component unit's name as of June 30, 2008 and 2007. The remaining deposits of \$290,200 and \$871,061, respectively, are uninsured.

Investments are held by the component unit in accordance with the component unit's investment policy. The purpose of the investment policy is to outline the asset allocation guidelines, the investment planning horizon, investment return objectives, the selection

criteria application to investment managers and consultants and the monitoring and control procedures. At June 30, 2008 and 2007, the component unit's investments had fair values of \$7,666,065 and \$7,975,436, respectively.

**(3) Due From and Due To Other Funds**

The detail of interfund receivables and payables at June 30, 2008 and 2007 is as follows:

Fund	2008		2007	
	Receivables	Payables	Receivables	Payables
General	\$ 799,890	876,270	923,179	782,004
Special Revenue:				
Iowa Public Television Foundation	-	277,823	710,604	1,320,220
Friends Contribution Account	1,667,723	1,313,520	485,667	17,226
Total	<u>\$2,467,613</u>	<u>2,467,613</u>	<u>2,119,450</u>	<u>2,119,450</u>

The interfund receivables and payables shown above are prior to eliminations within the same fund type.

These balances resulted from the time lag between the dates interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

**(4) Capital Assets**

Capital asset activity for the year ended June 30, 2008 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Iowa Public Television:</b>				
Capital assets:				
Land, not being depreciated	\$ 939,140	400,102	-	1,339,242
Buildings	6,459,331	11,358		6,470,689
Transmitters	25,591,903	5,059,172	(1,049,500)	29,601,575
Leasehold improvements	60,091	-	-	60,091
Machinery, equipment and vehicles	9,781,852	645,216	(196,727)	10,230,341
Construction in progress	4,319,335	3,493,285	(1,814,665)	5,997,955
Total capital assets	<u>47,151,652</u>	<u>9,609,133</u>	<u>(3,060,892)</u>	<u>53,699,893</u>
Less accumulated depreciation for:				
Buildings	3,226,940	231,602	-	3,458,542
Transmitters	10,960,062	1,415,721	(1,049,500)	11,326,283
Leasehold improvements	44,251	2,468	-	46,719
Machinery, equipment and vehicles	6,515,280	697,139	(180,082)	7,032,337
Total accumulated depreciation	<u>20,746,533</u>	<u>2,346,930</u>	<u>(1,229,582)</u>	<u>21,863,881</u>
Total capital assets, net	<u>\$ 26,405,119</u>	<u>7,262,203</u>	<u>(1,831,310)</u>	<u>31,836,012</u>
<b>Iowa Public Television Foundation:</b>				
Capital assets:				
Leasehold improvements	\$ 46,237	-	-	46,237
Machinery, equipment and vehicles	389,616	-	-	389,616
Total capital assets	<u>435,853</u>	<u>-</u>	<u>-</u>	<u>435,853</u>
Less accumulated depreciation:				
Leasehold improvements	32,055	2,763	-	34,818
Machinery, equipment and vehicles	382,773	1,484	-	384,257
Total accumulated depreciation	<u>414,828</u>	<u>4,247</u>	<u>-</u>	<u>419,075</u>
Total capital assets, net	<u>\$ 21,025</u>	<u>(4,247)</u>	<u>-</u>	<u>16,778</u>

Capital asset activity for the year ended June 30, 2007 is as follows:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year
<b>Iowa Public Television:</b>				
Capital assets:				
Land, not being depreciated	\$ 939,140	-	-	939,140
Buildings	6,459,331	-	-	6,459,331
Transmitters	24,883,883	1,163,245	(455,225)	25,591,903
Leasehold improvements	60,091	-	-	60,091
Machinery, equipment and vehicles	9,206,061	815,791	(240,000)	9,781,852
Construction in progress	-	4,319,335	-	4,319,335
Total capital assets	41,548,506	6,298,371	(695,225)	47,151,652
Less accumulated depreciation for:				
Buildings	2,996,190	230,750	-	3,226,940
Transmitters	10,174,231	1,217,374	(431,543)	10,960,062
Leasehold improvements	41,783	2,468	-	44,251
Machinery, equipment and vehicles	6,019,597	716,795	(221,112)	6,515,280
Total accumulated depreciation	19,231,801	2,167,387	(652,655)	20,746,533
Total capital assets, net	\$ 22,316,705	4,130,984	(42,570)	26,405,119
<b>Iowa Public Television Foundation:</b>				
Capital assets:				
Leasehold improvements	\$ 46,237	-	-	46,237
Machinery, equipment and vehicles	389,616	-	-	389,616
Total capital assets	435,853	-	-	435,853
Less accumulated depreciation:				
Leasehold improvements	29,292	2,763	-	32,055
Machinery, equipment and vehicles	374,666	8,107	-	382,773
Total accumulated depreciation	403,958	10,870	-	414,828
Total capital assets, net	\$ 31,895	(10,870)	-	21,025

Depreciation expense was charged to the following functions:

	Iowa Public Television	Iowa Public Television Foundation	Total 2008	Total 2007
Governmental activities:				
Administration	\$ 236,693	4,247	240,940	251,289
Engineering and technical support	162,632	-	162,632	249,334
Educational telecommunications	1,280	-	1,280	4,265
Programming and production	62,967	-	62,967	109,723
Digital television	1,883,358	-	1,883,358	1,563,646
Total depreciation expense	\$ 2,346,930	4,247	2,351,177	2,178,257

**(5) Pension and Retirement Benefits**

Iowa Public Television contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa, 50306-9117 or by calling 515-281-0020.

For the year ended June 30, 2008, plan members are required to contribute 3.90% of their annual covered salary and Iowa Public Television is required to contribute 6.05% of annual covered payroll. For the year ended June 30, 2007, plan members were required to contribute 3.70% of their annual covered salary and Iowa Public Television was required to contribute 5.75% of annual covered payroll. Contribution requirements are established by state statute. Iowa Public Television's contributions to IPERS for the years ended June 30, 2008, 2007 and 2006 were \$412,956, \$376,750 and \$351,556, respectively, equal to the required contributions for each year.

**(6) Operating Leases**

Iowa Public Television has leased various sites of land and towers to provide educational television service for the State of Iowa. These leases have been classified as operating leases and, accordingly, all rents are charged to expense as incurred. The leases expire prior to June 30, 2027 and require various minimum annual rentals. Certain leases are renewable for additional periods. In most cases, management expects the leases will be renewed or replaced by other leases.

The following is a schedule by year of future minimum rental payments required under operating leases which have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2008:

Year Ending June 30,	Minimum Rental Payments
2009	\$ 484,616
2010	428,391
2011	398,754
2012	88,100
2013	30,240
2014-2018	58,255
2019-2023	55,139
2024-2027	54,893
Total	<u>\$ 1,598,388</u>

Rental expense for the years ended June 30, 2008 and 2007 for all operating leases, except those with terms of a month or less that were not renewed, totaled \$505,271 and \$488,190, respectively.

**(7) Indirect Administrative Support and In-Kind Contributions**

Indirect administrative support provided by other state agencies and in-kind contributions for the years ended June 30, 2008 and 2007, include the following:

	2008	2007
Contributed support and in-kind	<u>\$ 113,342</u>	<u>326,506</u>

These amounts are included in revenues and expenditures in the accompanying financial statements.

**(8) Lessor Operating Leases**

Iowa Public Television owns several transmitters which are located throughout the State of Iowa. Iowa Public Television leases a portion of the tower space, but currently no value has been assigned to the leased portion. The following is a schedule by year of minimum future rentals on operating leases as of June 30, 2008:

Year Ending June 30,	Minimum Future Rental
2009	\$ 256,273
2010	261,100
2011	258,570
2012	174,593
2013	152,231
2014-2018	567,030
2019	9,036
Total	<u>\$ 1,678,833</u>

**(9) Interfund Transfers**

The detail of interfund transfers for the years ended June 30, 2008 and 2007 is as follows:

Fund	2008		2007	
	Transfers In	Transfers Out	Transfers In	Transfers Out
General	\$ 5,140,824	756,259	8,264,012	2,994,122
Special Revenue:				
Iowa Public Television Foundation	-	4,970,386	-	5,025,224
Friends Contribution Account	4,087,193	3,691,472	3,771,812	3,657,223
Permanent	190,100	-	-	359,255
Total	<u>\$ 9,418,117</u>	<u>9,418,117</u>	<u>12,035,824</u>	<u>12,035,824</u>

Transfers move gifts and grants from the Iowa Public Television Foundation to the Friends Contribution Account, which is Iowa Public Television's holding account. As funds are needed to meet programming and production obligations, transfers are made from the Friends Contribution Account to the General Fund. Transfers from the General Fund represent payment of obligations to other funds.

**(10) Risk Management**

State employee benefits for health, dental, long-term disability and life insurance coverage are insured through commercial insurers. There were no significant reductions in insurance coverage from the prior year and settlements have not exceeded coverage for the past three fiscal years.

The State of Iowa self-insures on behalf of its agencies for losses related to workers' compensation, its motor vehicle fleet, property damage and torts. A contingent fund exists under Section 29C.20 of the Code of Iowa to provide compensation for loss or damage to state property (casualty losses).

**(11) Construction Commitments**

Iowa Public Television has entered into contracts for planned capital improvement projects totaling approximately \$11,817,000 and has spent approximately \$6,663,000 under these contracts as of June 30, 2008. The remaining contractual obligation as of June 30, 2008 for these projects totals approximately \$5,154,000.

**(12) Compensated Absences and Other Postemployment Retirement Benefits**

Changes in compensated absences and other postemployment retirement benefit obligations for the year ended June 30, 2008 are summarized as follows:

	Balance June 30, 2007	Additions	Deletions	Balance June 30, 2008	Due Within One Year
Compensated absences	\$ 1,003,424	1,156,164	43,825	2,115,763	807,742
Net OPEB liability	-	85,372	-	85,372	-
Total	\$ 1,003,424	1,241,536	43,825	2,201,135	807,742

**Sick Leave Insurance Program**

The Sick Leave Insurance Program (SLIP) is included in the compensated absences liability. The program is an opportunity for employees who are retirement-eligible to use the value of their unused sick leave to pay the employer share of the monthly premium of the State's group health insurance plan after their retirement.

Upon retirement, employees shall first receive a cash payment for accumulated, unused sick leave converted at the employee's current regular hourly rate of pay, up to \$2,000, payable with the final payroll warrant that includes the employee's retirement date. The value of the remaining balance of the accrued sick leave will be converted based upon the original balance (before the cash payment). The remainder of the sick leave value is calculated as follows, based on the number of sick hours the employee had before the cash payment:

**If the sick leave balance is:**

Zero to 750 hours

Over 750 hours to 1,500 hours

Over 1,500 hours

**The conversion rate is:**

60% of the value

80% of the value

100% of the value

The final calculated dollar value will be credited to the employee's Sick Leave Insurance Program (SLIP) account. Each month, Iowa Public Television will pay 100% of the employer share of the selected state group health insurance premium from the retiree's SLIP account. The retiree is responsible for any additional premiums associated with the employee/retiree share.

Iowa Public Television will continue to pay the employer's share of the health insurance premium each month until the converted value of the employee's sick leave balance is exhausted, until the employee is eligible for Medicare, until the employee waives the benefit or until the employee dies, whichever comes first. The retired employees may stay with the same health insurance program as when employed or switch down at any time without underwriting. The converted value of the sick leave can only be applied to the employer's share of health insurance premium payments. It has no cash value and it is not transferable to another use or to an heir. If a retired employee who has utilized this benefit returns to permanent state employment, all remaining balances in the sick leave insurance program will be forfeited. All SLIP program benefits are financed on a pay-as-you-go basis by Iowa Public Television.

### Other Postemployment Retirement Benefits

Iowa Public Television implemented Government Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions during the year ended June 30, 2008. This statement modifies when other postemployment benefit liabilities are recorded under the accrual basis of accounting.

Iowa Public Television participates in the State of Iowa postretirement medical plan (OPEB Plan). The State of Iowa recognizes the implicit rate subsidy for the OPEB Plan as required by GASB Statement No. 45.

The annual valuation of liabilities under the OPEB Plan is calculated using the entry age normal cost method. This method requires the calculation of an unfunded actuarial accrued liability, which was approximately \$220,000,000 for the State of Iowa at June 30, 2008. Iowa Public Television's portion of the unfunded actuarial accrued liability is not separately determinable.

Details of the OPEB Plan are provided on a state-wide basis and are available in the State of Iowa's Comprehensive Annual Financial Report for the year ended June 30, 2008. The report may be obtained by writing to the Iowa Department of Administrative Services, Hoover State Office Building, Des Moines, Iowa 50319.

Iowa Public Television recognized a net OPEB liability of \$85,372 for other postemployment benefits which represents Iowa Public Television's portion of the State's net OPEB liability. Iowa Public Television's portion of the net OPEB liability was calculated using the ratio of full time equivalent Iowa Public Television employees compared to all full time equivalent employees of the State of Iowa.



**Iowa Public Television**

Iowa Public Television

Budgetary Comparison Schedule of  
Revenues, Expenditures and Changes in Fund Balance –  
Budget and Actual – General Fund

Required Supplementary Information

Year ended June 30, 2008

	General Fund Actual	Less Funds not Required to be Budgeted	Net
Revenues:			
State appropriations	\$ 11,444,145	-	11,444,145
Federal assistance	884,380	884,380	-
Receipts from other entities	169,160	-	169,160
Fees and licenses	124,536	124,536	-
Gifts and grants	2,776,450	2,768,230	8,220
In-kind and indirect support	113,342	31,588	81,754
Charges for service	1,008,415	669,229	339,186
Interest on investments	253,260	253,260	-
Total revenues	16,773,688	4,731,223	12,042,465
Expenditures:			
Administration	1,187,556	-	1,187,556
Engineering and technical support	6,563,765	-	6,563,765
Educational telecommunications	1,661,097	372,361	1,288,736
Programming and production	9,684,938	7,951,386	1,733,552
Communications	316,464	-	316,464
Digital television	9,901,837	1,049,770	8,852,067
Total expenditures	29,315,657	9,373,517	19,942,140
Excess (deficiency) of revenues over (under) expenditures	(12,541,969)	(4,642,294)	(7,899,675)
Other financing sources, net	4,384,565	4,367,744	16,821
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(8,157,404)	(274,550)	(7,882,854)
Balance beginning of year	22,556,710	2,977,998	19,578,712
Balance end of year	\$ 14,399,306	2,703,448	11,695,858

See accompanying independent auditor's report.

Budgeted Amounts		Final to Net Variance
Original	Final	
11,444,145	11,444,145	-
-	-	-
100,000	136,800	32,360
-	-	-
500	120,020	(111,800)
-	-	81,754
284,813	289,813	49,373
-	-	-
11,829,458	11,990,778	51,687
1,105,021	1,141,821	(45,735)
6,644,353	6,547,585	(16,180)
1,442,286	1,416,228	127,492
2,382,892	2,487,880	754,328
281,644	322,702	6,238
18,810,193	19,688,435	10,836,368
30,666,389	31,604,651	11,662,511
(18,836,931)	(19,613,873)	11,714,198
301,738	376,739	(359,918)
(18,535,193)	(19,237,134)	11,354,280
18,535,193	19,237,134	341,578
-	-	11,695,858

## Iowa Public Television

### Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2008

Budgetary control is exercised over Iowa Public Television through the budgetary process prescribed in Chapter 8 of the Code of Iowa. Each agency of the State prepares estimates of expenditures and income for each ensuing fiscal year. These estimates are transmitted to the Department of Management, which prepares and submits a tentative budget to the Governor. After holding public hearings, the Governor prepares and transmits the budget to the Iowa Legislature. The Legislature appropriates funds to the various agencies based on the budget as adjusted through the appropriation process. Formal and legal budgetary control is based on total operating expenditures by appropriation unit.

The budgetary process described above does not apply to the non-appropriated accounts, indirect cost associated with in-kind and indirect support revenue nor to the Special Revenue Fund of Iowa Public Television or to the accounts of its component unit. The budget for the General Fund is adopted on a basis consistent with U.S. generally accepted accounting principles. There were no material violations of finance-related legal and contractual provisions. Actual expenditures exceeded budgeted expenditures primarily due to in-kind and indirect support not budgeted.

### **Other Supplementary Information**

Iowa Public Television

Combining Balance Sheet  
General Fund Accounts

June 30, 2008  
with partial financial information for June 30, 2007

	State Appropri- ations #001	CPB Community Service Grant 2007-2009 #004	Iowa Infra- structure #017	CPB Community Service Grant 2006-2008 #033	Public Telecomm- unications Facilities Program #059	Market to Market #069	IPTV Miscel- laneous #085
<b>Assets</b>							
Cash	\$ 2,406	2,049,648	-	397,170	57,705	46,887	698,731
Unexpended appropriation	1,162,074	-	10,796,450	-	-	-	-
Accounts receivable	15,385	-	-	-	908	-	-
Due from:							
Other funds	16,456	-	618,951	306	-	6	59,921
Other state agencies	992	20,358	-	8,496	-	592	6,828
Federal government	-	-	-	-	273,525	-	-
Restricted assets-cash	32,675	-	16,995	-	-	-	-
Prepaid expenditures	52,992	-	271,875	-	-	-	-
<b>Total assets</b>	<b>\$ 1,282,980</b>	<b>2,070,006</b>	<b>11,704,271</b>	<b>405,972</b>	<b>332,138</b>	<b>47,485</b>	<b>765,480</b>
<b>Liabilities and Fund Equity</b>							
Liabilities:							
Accounts payable	\$ 337,869	-	836,362	18,516	-	6,646	13,579
Due to:							
Other funds	101,331	20,358	10,912	8,802	274,433	6	2
Other state agencies	109,427	-	13	1,127	-	6	1,914
Deferred revenue	-	2,049,648	101,300	377,527	57,700	13,464	-
Total liabilities	548,627	2,070,006	948,587	405,972	332,133	20,122	15,495
Fund equity:							
Fund balance:							
Reserved for:							
Prepaid expenditures	52,992	-	271,875	-	-	-	-
Subsequent years' expenditures	32,675	-	16,995	-	-	-	-
Specific purposes	-	-	10,466,814	-	-	-	-
Unreserved	648,686	-	-	-	5	27,363	749,985
Total fund equity	734,353	-	10,755,684	-	5	27,363	749,985
<b>Total liabilities and fund equity</b>	<b>\$ 1,282,980</b>	<b>2,070,006</b>	<b>11,704,271</b>	<b>405,972</b>	<b>332,138</b>	<b>47,485</b>	<b>765,480</b>

See accompanying independent auditor's report.

Digital TV Conversion #198/217	Restricted Donations Program- ming #302	Friends Funded Program- ming #303	Education Telecomm- unications Projects #304	Marketing and Distribution #308	Educational and Contractual Services #311	Capital Equipment Replacement #316	Technology Reinvestment Fund #943	Total 2008	Total 2007
-	-	858,657	430,532	5,019	570,174	84,446	-	5,201,375	5,247,508
-	-	-	-	-	-	-	513,280	12,471,804	20,177,296
-	-	11,000	3,223	3,043	174,833	-	-	208,392	73,419
-	-	96,096	193	1	727	7,233	-	799,890	923,179
-	-	10,518	21,603	87	6,304	1,715	-	77,493	182,131
-	-	-	12,689	-	-	-	-	286,214	34,510
-	-	-	-	-	-	-	-	49,670	54,797
186,875	-	677	8,118	-	-	-	-	520,537	348,251
186,875	-	976,948	476,358	8,150	752,038	93,394	513,280	19,615,375	27,041,091
-	-	48,112	7,806	144	139,496	-	152,924	1,561,454	1,050,141
-	-	105,163	12,095	1	1,675	82	341,410	876,270	782,004
-	-	724	18,213	1	127	82	-	131,634	127,660
-	-	-	27,538	1,925	17,609	-	-	2,646,711	2,524,576
-	-	153,999	65,652	2,071	158,907	164	494,334	5,216,069	4,484,381
186,875	-	677	8,118	-	-	-	-	520,537	348,251
-	-	-	-	-	-	-	-	49,670	54,797
-	-	-	-	-	-	-	18,946	10,485,760	18,237,134
-	-	822,272	402,588	6,079	593,131	93,230	-	3,343,339	3,916,528
186,875	-	822,949	410,706	6,079	593,131	93,230	18,946	14,399,306	22,556,710
186,875	-	976,948	476,358	8,150	752,038	93,394	513,280	19,615,375	27,041,091

Iowa Public Television

Combining Schedule of Revenues, Expenditures  
and Changes in Fund Balance  
General Fund Accounts

Year ended June 30, 2008  
with partial financial information for the year ended June 30, 2007

	State Appropriations #001	CPB Community Service Grant 2007-2009 #004	Iowa Infra- structure #017	CPB Community Service Grant 2006-2008 #033	Public Telecomm- unications Facilities Program #059	Market to Market #069	IPTV Miscel- laneous #085
Revenues:							
State appropriations	\$ 10,169,145	-	1,275,000	-	-	-	-
Federal assistance	-	-	-	-	787,387	-	-
Receipts from other entities	169,160	-	-	-	-	-	-
Fees and licenses	-	-	-	-	-	77,783	36,768
Gifts and grants	8,220	548,305	-	1,700,119	230,795	-	261
In-kind and indirect support	81,754	-	-	-	31,588	-	-
Charges for service	339,186	-	-	-	-	-	2,479
Interest on investments	-	68,311	-	46,302	-	887	21,742
Total revenues	10,767,465	616,616	1,275,000	1,746,421	1,049,770	78,670	61,250
Expenditures:							
Administration	1,187,556	-	-	-	-	-	-
Engineering and technical support	6,563,765	-	-	-	-	-	-
Educational telecommunications	1,288,736	-	-	-	-	-	-
Programming and production	1,733,552	504,999	-	1,700,118	-	199,010	358,809
Communications	316,464	-	-	-	-	-	-
Digital television	-	-	4,721,257	-	1,049,770	-	-
Total expenditures	11,090,073	504,999	4,721,257	1,700,118	1,049,770	199,010	358,809
Excess (deficiency) of revenues over (under) expenditures	(322,608)	111,617	(3,446,257)	46,303	-	(120,340)	(297,559)
Other financing sources (uses):							
Operating transfers in	16,821	-	-	-	5	95,000	329,670
Operating transfers out	-	(86,915)	-	(64,913)	-	-	(5)
Total other financing sources (uses)	16,821	(86,915)	-	(64,913)	5	95,000	329,665
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(305,787)	24,702	(3,446,257)	(18,610)	5	(25,340)	32,106
Fund balance beginning of year	1,040,140	(24,702)	14,201,941	18,610	-	52,703	717,879
Fund balance end of year	\$ 734,353	-	10,755,684	-	5	27,363	749,985

See accompanying independent auditor's report.



Digital TV Conversion #198/217	Restricted Donations Program- ming #302	Friends Funded Program- ming #303	Education Telecomm- unications Projects #304	Marketing and Distri- bution #308	Educational and Contractual Services #311	Capital Equipment Replacement #316	Technology Reinvestment Fund #943	Total 2008	Total 2007
-	-	-	-	-	-	-	-	11,444,145	14,455,127
-	-	-	96,993	-	-	-	-	884,380	889,614
-	-	-	-	-	-	-	-	169,160	366,309
-	-	-	9,203	782	-	-	-	124,536	196,541
-	-	24,250	43,877	-	220,623	-	-	2,776,450	2,568,384
-	-	-	-	-	-	-	-	113,342	326,506
-	-	-	285,811	4,471	353,919	22,549	-	1,008,415	558,380
-	(909)	60,572	5,854	1,849	44,769	3,883	-	253,260	296,075
-	(909)	84,822	441,738	7,102	619,311	26,432	-	16,773,688	19,656,936
-	-	-	-	-	-	-	-	1,187,556	1,185,966
-	-	-	-	-	-	-	-	6,563,765	6,338,665
-	-	-	372,361	-	-	-	-	1,661,097	1,595,845
-	-	3,709,996	-	24,972	1,407,414	46,068	-	9,684,938	9,207,299
-	-	-	-	-	-	-	-	316,464	263,682
114,563	-	-	-	-	-	-	4,016,247	9,901,837	6,451,522
114,563	-	3,709,996	372,361	24,972	1,407,414	46,068	4,016,247	29,315,657	25,042,979
(114,563)	(909)	(3,625,174)	69,377	(17,870)	(788,103)	(19,636)	(4,016,247)	(12,541,969)	(5,386,043)
-	-	3,834,296	73,299	3,203	771,851	16,679	-	5,140,824	8,264,012
-	-	(403,576)	(53,836)	-	(147,014)	-	-	(756,259)	(2,994,122)
-	-	3,430,720	19,463	3,203	624,837	16,679	-	4,384,565	5,269,890
(114,563)	(909)	(194,454)	88,840	(14,667)	(163,266)	(2,957)	(4,016,247)	(8,157,404)	(116,153)
301,438	909	1,017,403	321,866	20,746	756,397	96,187	4,035,193	22,556,710	22,672,863
186,875	-	822,949	410,706	6,079	593,131	93,230	18,946	14,399,306	22,556,710

**Schedule 3**

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## Iowa Public Television

Schedule of Expenditures by Object  
General FundYear ended June 30, 2008  
with partial financial information for the year ended June 30, 2007

	<u>2008</u>	<u>2007</u>
Personal services	\$ 9,032,164	8,538,841
Travel	256,370	210,582
Supplies and materials	2,942,507	2,815,523
Contractual services	8,286,447	6,934,257
Equipment and repair	7,825,697	5,844,824
Claims and miscellaneous	3,241	4,764
Plant improvements	<u>969,231</u>	<u>694,188</u>
Total	<u>\$ 29,315,657</u>	<u>25,042,979</u>

See accompanying independent auditor's report.

## Iowa Public Television

Schedule of Changes in Fiduciary Assets and Liabilities  
Agency Fund

Year ended June 30, 2008

	Balance July 1, 2007	Additions	Deductions	Balance June 30, 2008
<b>Assets</b>				
Cash	\$ -	17,867	17,867	-
Accounts receivable	215	267	215	267
Total assets	<u>\$ 215</u>	<u>18,134</u>	<u>18,082</u>	<u>267</u>
<b>Liabilities</b>				
Due to other state agencies	<u>\$ 215</u>	<u>18,134</u>	<u>18,082</u>	<u>267</u>

See accompanying independent auditor's report.

**Iowa Public Television**



**OFFICE OF AUDITOR OF STATE**  
**STATE OF IOWA**

David A. Vaudt, CPA  
Auditor of State

State Capitol Building  
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Independent Auditor's Report on Internal Control  
over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with  
Government Auditing Standards

To the Board Members of Iowa Public Television:

We have audited the accompanying financial statements of the governmental activities and each major fund of Iowa Public Television as of and for the year ended June 30, 2008, which collectively comprise the basic financial statements listed in the table of contents, and have issued our report thereon dated November 17, 2008. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. The financial statements of the Iowa Public Television Foundation were not audited in accordance with Government Auditing Standards. This report on internal control over financial reporting and compliance and other matters does not include the results of the Iowa Public Television Foundation audit performed by another auditor.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Iowa Public Television's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Iowa Public Television's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Iowa Public Television's internal control over financial reporting.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Iowa Public Television's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Iowa Public Television's financial statements that is more than inconsequential will not be prevented or detected by Iowa Public Television's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Iowa Public Television's internal control.

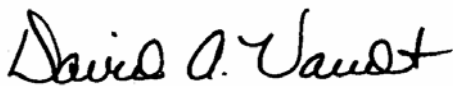
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

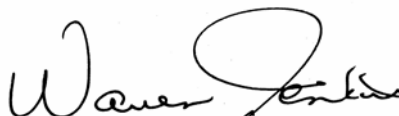
As part of obtaining reasonable assurance about whether Iowa Public Television's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

This report, a public record by law, is intended solely for the information and use of the officials and employees of Iowa Public Television and other parties to whom Iowa Public Television may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Iowa Public Television during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.



DAVID A. VAUDT, CPA  
Auditor of State



WARREN G. JENKINS, CPA  
Chief Deputy Auditor of State

November 17, 2008

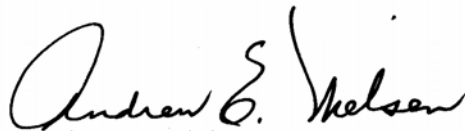
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Iowa Public Television

Staff

This audit was performed by:

Ronald D. Swanson, CPA, Manager  
Selina V. Johnson, CPA, Senior Auditor II  
Tiffany M. Ainger, Staff Auditor  
Shannan M. Hoffman, Staff Auditor  
Jessica N. Meierotto, Staff Auditor  
Brian P. Schenkelberg, CPA, Staff Auditor  
Alison P. Baker, Assistant Auditor  
Casey L. Johnson, Assistant Auditor  
Rosemary E. Nielsen, Assistant Auditor  
Michael T. Stevens, Assistant Auditor

A handwritten signature in black ink, reading "Andrew E. Nielsen". The signature is fluid and cursive, with the first name "Andrew" and last name "Nielsen" clearly legible.

Andrew E. Nielsen, CPA  
Deputy Auditor of State

## **Statistical Information**



Iowa Public Television  
Statistical Information  
Members and Contributors  
(Unaudited)  
Year ended June 30, 2008

The number of individuals making contributions to Iowa Public Television Foundation during the year ended June 30, 2008 was as follows:

Contributors	7,397
Active members	54,644
Leadership Circle members	<u>856</u>
Total	<u><u>62,897</u></u>

See accompanying independent auditor's report.